

TIMBER SALE CONTRACT

This contract made and entered into this (day number)th day of (month) (year), by and between (Joe Landowner) of (3097 S Avenue Somewhere, Iowa 52000), hereinafter referred to as the Timber Seller and (Fred Logger Box 135 Timber Is Us, Iowa 52000), hereinafter referred to as the Timber Buyer.

WHEREAS, the Timber Seller is the owner in fee simple of the following described real estate (Section 18 & 19 Oak Grove Township), located in (Some County) in the State of Iowa and,

WHEREAS, the Timber Seller is desirous of selling certain timber on the above described real estate, consisting of (930 trees) which have been marked with (green and blue) tree marking paint and said markings have been pointed out, examined by the Timber Buyer and understood by the undersigned Timber Buyer as the trees to be harvested under this contract and,

WHEREAS, the Timber Buyer is in the business of buying timber for sawing into lumber, for processing, or for resale.

NOW THEREFORE IN CONSIDERATION of the covenants herein it is agreed as follows:

Purchase Price. The Timber Buyer agrees to pay to the Timber Seller the sum of (thirty-two thousand seven hundred twenty-two dollars (\$32,722.00)) for such standing timber so marked and designated, under the following terms and conditions:

Payment of the Purchase Price. The Timber Buyer agrees to pay the above designated purchase price in cash for such timber to the Timber Seller at the address listed in the signature block of this agreement as follows:

- 1) 25 percent of the purchase price (\$8,180.50) due by November 11, 1998.
- 2) The remaining 75% (\$24,541.50) by January 2, 1999, or before any trees are cut, whichever occurs first.

Inspection & Acceptance of Timber. That the Timber Buyer has inspected the area and timber described herein and has estimated to his own satisfaction the quantity, quality, and value of the timber to be removed and accepts the timber with all faults, if applicable.

Time Fixed for removal of Timber. That the Timber Seller hereby grants to the Timber Buyer the rights to enter upon the above described real estate for the purpose of cutting and removing there from the described timber. The Timber Buyer agrees that such marked timber will be cut and removed from the land by (April 30, 2000), and upon failure to remove such timber within such period, all rights, title, and interests of the Timber Buyer thereto shall cease and terminate without any additional notice and the timber and any payments received for said timber, will revert to and become the property of the Timber

Seller as payment for the timber cut or as rental and liquidate damages. At any time extension shall be executed in writing upon the mutual agreement of both parties.

Damage to Other Trees. The Timber buyer agrees that if he, his agents, or employees should unnecessarily cut, deaden, or destroy any trees not so marked that he will pay, in addition to the consideration set forth above, to the Timber Seller the sum of Fifty dollars (\$50.00) per tree as liquidated damages. Timber Buyer further agrees that Section 658.4 of the 1995 Code of Iowa shall apply to damage caused by willful injury to unmarked trees. Any damaged trees shall remain the property of the Timber Seller and any payment under this section for damages to non-marked trees shall be for restitution only and does not give the Timber Buyer the right to harvest the damaged trees.

Timber Buyer Compliance with Section 456A.36 of the 1995 Code of Iowa. Timber Buyer agrees to comply with the requirements of Iowa Code Section 456A.36 which requires that the Timber Buyer file a proper bond with the Natural Resources Commission and that said bond shall be subject to forfeiture for the violations as listed Section 456A.36(3).

Timber Seller Warranty. The Timber Seller warrants that he/she is the owner in fee simple of the real estate and that there are no liens or encumbrances that would effect the marketability or sale of the described timber.

Limitations and Duties on Timber Buyers Right to Cut. The Timber Seller grants permission to the Timber Buyer to enter the above described real estate for the purpose of cutting and removing the designated trees, subject; however, to the following conditions, restrictions, and limitations:

Lumber included. This agreement does include the rights to the residual and/or tops less than 6 inches in diameter remaining after the logs are removed. If tops are desired Timber Buyer must remove said tops within three months of the cessation of the primary logging activities.

Care of real estate. The Timber Buyer will leave all streams and cropland free of logs, brush, tops, residual material, and obstructions.

Damage to Improvements on Land. The Timber Buyer agrees that all damage caused by him, his agents, or employees to fences, crops, cropland, roads, and other improvements shall be repaired or paid for at replacement cost by the Timber Buyer.

Restrictions in Hauling During Wet Weather. The Timber Buyer agrees that he will conduct hauling operations upon said real estate only when the ground is frozen or firm. If any unusual or unnecessary damage should result to the land due to his hauling, he will repair such damage or pay to the seller the cost of repairing the same. Timber Buyer further agrees to use existing roads when possible.

Performance. The Timber Buyer agrees to perform all operations in good and workmanlike manner, and will use due diligence to minimize the hazards of fire on the premises.

Indemnification and Hold Harmless. I, Fred Logger Inc. (Timber Buyer) do hereby specifically agree to save harmless, indemnify, and defend Joe Landowner (Timber Seller) for any claim, demands, or action by or on behalf of any person arising out of personal injury or property damage related to the acts of the Timber Buyer, his agents, or employees. This agreement specifically includes, but is not limited to, the Timber Buyers assumption of all liability for claims, including attorney's fees, against the Timber Seller by third persons for acts or omissions of the Timber Buyer, his agents, or employees.

Risk of Loss. If any timber shall be destroyed or damaged by fire or otherwise lost or damaged prior to the commencement of cutting operations by the Timber Buyer, all such loss or damage shall be borne by the Timber Seller and any amounts paid for said timber shall be returned to the Timber Buyer.

Assignment. This agreement shall not be assigned in whole or in part without written approval by the Timber Seller.

Default. Time is declared to be of the essence of this agreement. In the event that the Timber Buyer shall become in default in the making of any payments of the purchase price as herein provided, or shall otherwise become in default in the performance of the terms and conditions herein contained on the part of the Timber Buyer to be performed, and in the event that such default shall continue for the period of thirty days after notice of such default shall have been given by the Timber Seller to the Timber Buyer, directed to the Timber Buyer by registered mail at its address given below, then and in that event this agreement and all the rights, title, and interest of the Timber Buyer shall wholly cease and terminate without any right of reclamation or compensation for moneys paid hereunder, or otherwise, and in the event that the Timber Seller shall institute any suit or action to enforce any right hereunder the Timber Buyer will pay to the Timber Seller such additional sum as the Court may adjudge reasonable as attorney's fees for the prosecution of such suit or action. Nothing in this paragraph described shall have the effect of extending the time period described in paragraph three (3) herein, regarding the date set for the removal of the trees.

Heirs and Assigns. This agreement shall inure to the benefit of and be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns, provided; however, the Timber Buyer will not assign his interest in this agreement without the consent of the Timber Seller in writing first hand and obtained.

Further, the Timber Buyer agrees to contact (Name of Landowner) prior to moving their equipment on to the Timber Seller's property.

Conveyance. The Timber Seller does hereby sell, convey, and warrant unto the Timber Buyer the marked saw log trees upon the lands as herein above described, with the right

to enter in and upon such lands and to cut and remove the same by (April 30, 2000) and the Timber Buyer by the acceptance of this conveyance in affixing his signature thereto hereby accepts his obligation to comply with all of the terms, conditions and provisions hereof.

IN WITNESS HEREOF the parties have executed this contract the 28th day of October 1998.

Timber Buyer

Timber Seller

Buyer Company Name

Timber Seller

Buyer Address

Timber Seller Address

Witness

Witness